Employment Equality for Women

by

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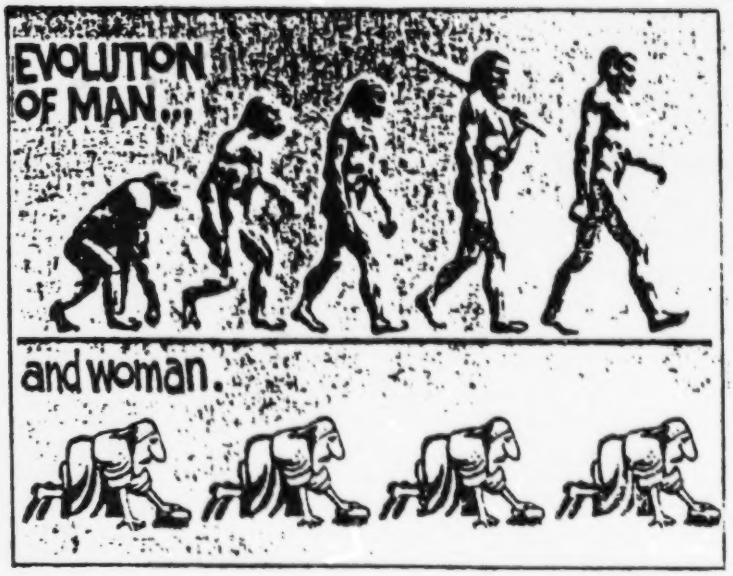
EVOLUTION
OF MAN...
and woman.

In the last two years the reports of the Commission on Equality in Employment, headed by Judge Rosalie Silberman Abella and Donald Macdonald's Royal Commission on the Economic Union and Development Prospects for Canada have, each, drawn Canadians' attention to the issue of equality in the labour market. The writer has chosen, for the purpose of this paper, to focus on one aspect of equality in the labour market - the opportunity to provide women with a fair chance at realizing their full potential in the labour force.

Judge Abella captures the essence of the struggle for employment equity in the following quotation;

> Year after year, women make the case for better childcare facilities, equal pay for work of equal value, equitable benefits, equal employment opportunities, unbiased educational options, and an end to job segregation.
>
> Year after year, they are told by governments across Canada that measures are being looked into and solutions being devised. Every year, progress is largely chimerical. The lack of progress results in a perpetuation of losses that become increasingly irreversible.
>
> Many women are incredulous about their having been effectively excluded from so many opportunities over so long a period of time. Moreover, they resent the attribution of stridency when, in their frustration, they reiterate with vigour how intolerable is the failure of society as a whole, government in general, and institutions in particular to treat women as equals. [1]

An examination of the facts and figures, the issues and policy initiatives is in order, as the means to establishing the case that women, indeed, are not being treated as equals in the work place and that up until very recently federal and provincial legislation has not adequately addressed this problem.

The Facts and Figures

According to 1982 data, approximately 52 per cent of Canadian women are in the paid labour force. Women make up 41 per cent of the work force and

the average wage of employed women ranges from 55 per cent to 64 per cent that of men. Judge Abella states in the report of the commission that "the existence of a gap between the earnings of men and women is one of the few facts not in dispute in the "equality" debate." [2] Women are paid less than men sometimes for performing the same work, sometimes for doing comparable work.

The Report of the Commission on Employment Equity indicated that

> the current discussion surrounding equal pay issues sometimes seems to suggest that the problem is not critical. But referring to a wage gap as "only" 10 per cent creates a tendency to minimize the problem and to treat it as having decreased to a tolerable level.
>
> It has not. In 1911, the average wage of employed women in Canada was 53 per cent that of men. In 1982, it ranges from 55 to 64 per cent. This means an improvement of 2 to 11 percentage points over the course of 70 years. What is particularly noteworthy is, first, the length of time the gap has been tolerated and, second, that it is tolerated at all.3

Table 1 shows that women in 1982 earned significantly less than men in every occupational category.[4]

Table 1

Female Average Earnings by Occupation as a Percentage of Male Average Earnings - 1982

Occupation	Full-Time and Part-Time Workers	Full-Time/ Full-Year Workers
Managerial	55.6%	58.2%
Professional	61.8	68.0
Clerical	62.9	66.9
Sales	46.1	57.1
Service	46.7	55.5
Agriculture, etc.	47.8	56.4
Processing and machining	54.5	57.6
Product fabricating, etc.	50.2	54.0
Transportation	54.1	60.8

The findings in Table 1 reveal that "the average annual earnings for male workers full-time, full-year in 1982 were $25,096. For women they were $16,056, or 63.9 per cent of male incomes. The average annual earnings for males working full-time and part-time were $19,164. For women they were $10,472, or 54.6 per cent of male incomes."[5]

What accounts for this wage gap of approximately 40 per cent? One often hears the argument that women earn less than men because they are less educated and/or interrupt their working career to bare and raise their children. Others acknowledge this, but add that wage discrimination and occupational segregation play a larger role in income disparities. The Macdonald commission addressed this issue and reported that

> evidence suggests that approximately half the earnings gap of 40 per cent can be attributed to non-discriminatory productivity-related factors. Most of the remainder appears to be the result of occupational segregation, and narrowly defined wage discrimination accounts for 5 to 10 percentage points of this portion of the gap.[6]

Most people will acknowledge that policies and legislation that address wage inequities will not totally eliminate the wage gap because lifestyles and roles for most men and women differ and will continue to. However, if it is within the power of government to address inequality then it has the responsibility to do so. If, as the Macdonald commission reported, 20 per cent of the earnings gap is the result of occupational segregation and wage discrimination then government policies can eliminate this and "narrow the overall earnings gap from the current 0.60 to approximately 0.80, leaving a remaining gap of 0.20 attributable to non-discriminatory factors."[7] Factors which Judge Abella accounts for by "differences in experience, education, training and absences from the labour force."[8]

Over the last 35 years federal and provincial governments have made

attempts to legislate against inequalities in the work place. Equal pay and, more recently, equal value legislation and employment equity, also known as affirmative action, embody these initiatives. One must question the effectiveness of equal pay legislation, which has been in place in most jurisdictions since the fifties, when evidence does not support a gradual narrowing of the wage gap over the last three decades. Equal value legislation and/or employment equity initiatives have recently been looked upon by some provincial governments and the federal government as the necessary next step, if the wage gap is going to be reduced.

Legislating Against Inequality in the Labour Force

The earliest legislative initiatives addressing equality in the labour market required equal pay for equal work. Equal pay legislation deals with substantially similar work which basically involves the same occupation, within the same company. In 1951 the Ontario government established equal pay legislation, the first government in Canada to do so. Table 2 illustrates the dates of implementation of equal pay legislation across Canada.[9] One should note that the federal government and the province of Quebec had equal value legislation in place over twenty years ago.

Table 2

Canadian Equal Pay Legislation by Jurisdiction -1981

Jurisdiction	Date of 1st Law	Concept of Equality
Nfld.	1971	Similar
P.E.I.	1959	Substantially the Same
N.S.	1957	Substantially the Same
N.B.	1961	N.A.
Que.	1964	Equal Value
Ont.	1951	Substantially the Same
Man.	1956	Substantially the Same

Sask.	1952	Similar
Alta.	1957	Substantially Similar
B.C.	1953	Substantially Similar
Fed.	1956	Equal Value

The application of equal pay legislation is outlined by the Macdonald commission as follows:

> Most jurisdictions require that substantially similar work be the basis for comparison, and most allow the composite approach that enables trade-offs to be made among the components of skill, effort, responsibility and working conditions. Five jurisdictions allow for some groups to be exempt from the legislation, and seven allow comparisons to be made across different locations, but require that the comparison always be made within the same company. Most jurisdictions stipulate that individuals make a complaint if they consider themselves entitled to do so under the legislation. Only three allow for the legislative agency to initiate some investigations, and of these, only Ontario and, to a lesser extent, Saskatchewan seem to follow that practice. The number of investigations is extremely small in many jurisdictions; Ontario and, to a lesser extent, Saskatchewan are by far the most active. It appears that equal-value initiatives, which may be taken only in the federal jurisdiction and in Quebec, are being applied in a cautious fashion.[10]

"Despite the existence of these equal pay laws," Judge Abella points out that "many women still earn 10 to 20 per cent less than men even where they are employed in the same occupation and within the same firm."[11] The Report of the Commission on Equality in Employment concludes that equal pay legislation has had little impact on the earnings gap. Equal pay legislation

> ignores the substantial number of women in segregated jobs or in businesses where there are few men or none with whom to compare salaries. A more important factor is that, as a concept, "equal pay for equal or similar work" fails to deal with the fundamental problem: the undervaluation of work done by women.
>
> A further factor is that the legislation is not being rigorously enforced, although there appears to be better enforcement in the public than in the private sector. The general lack of enforcement was observed by the Royal Commission on the Status of Women as early as 1970 which noted that only a handful of complaints are filed, they are processed slowly, and they are inconsistently dealt with across Canada.[12]

Employment equity and pay equity are two policies which were designed to address the inequities in the market place that equal pay legislation has, thus far, failed to do. How do these strategies tackle the problem of inequality in the work place? Employment equity "is a strategy designed to obliterate the present and residual effects of discrimination and to open equitably the competition for employment opportunities to those arbitrarily excluded."[13] As the means to accomplishing this the Abella commission recommended that

> a law be passed requiring all federally regulated employers, including crown corporations, government departments, agencies, and businesses and corporations in the federally regulated private sector, to implement employment equity.
>
> This legislation should include three major components:
>
> - a requirement that federally regulated employers take steps to eliminate discriminatory employment practices;
> - a requirement that federally regulated employers collect and file annually data on the participation rates, occupational distribution, and income levels of employees in their worforces, by designated group; and
> - an enforcement mechanism.[14]

One year later the Honourable Flora MacDonald, at that time the Minister of Employment and Immigration, responded to the Abella commission report by announcing that the federal government would require crown corporations, federally-regulated businesses and contractors,providing goods and services to the federal government,to implement employment equity. The terms of this strategy will require

> crown corporations and federally-regulated business with 100 or more employees to report annually to Parliament on their plans and progress. Businesses seeking government contracts for goods and services of $200,000 or more will have to show their compliance or stand to lose their right to compete for government business.
>
> Reporting of results will be mandatory. All information will be on public record. Companies could be fined up to $50,000 if they do not report.[15]

The federal government has taken the lead in pursuing equality in the work place by legislating employment equity. Working women, however, will not be largely protected until employment equity is legislated provincially as well. If employment equity is to be more effective than equal pay legislation, in bringing equality to the market place, then the provinces will have to do more than pay lip service to employment equity - it must be legislated. As with equal pay legislation, time shall be the test which determines whether employment equity legislation effectively enhances opportunities for women in the work place.

Many believe that employment equity legislation represents a positive first step, on the part of the federal government. Others, however, do not feel that the employment equity process does enough for women, quickly enough. The real issues facing women in the work place will only be addressed, according to these people, when legislators implement pay equity legislation. "Women's groups recognize that redistribution of job opportunities through employment equity has value as a longer-term solution to employment inequities - but they want pay equity as a shorter-term means of improving the economic status of women."[16]

What is meant by pay equity? In May of this year "The Mercer Bulletin" addressed the ramifications of pay equity. The bulletin explained that pay equity "requires that within an organization, pay in occupations where women predominate must reflect an equitable relationship with that paid to men performing work which is equally demanding in four areas - skill, effort, responsibility and working conditions - even when jobs are different in nature and content."[17]

As was previously mentioned, pay equity or equal value legislation has been in place in Quebec and within federal jurisdiction for over twenty years. Both Manitoba and Ontario, in the last two years, have introduced and are presently in the process of putting into place, pay equity legislation. In each instance pay equity legislation has been applied to the civil service and usually more broadly.

> Under federal jurisdiction pay equity requirements apply to the civil service and other federal employment as well as federally regulated businesses such as banking and transportation. In Quebec, pay equity applies to provincially regulated employers in both the private and the public sectors. Within the last year a pay equity law has been passed in Manitoba covering the civil service and the broader public sector including Crown Agencies, hospitals and universities. In Ontario, following the release of a Green Paper describing pay equity as a very high priority of the government, a Pay Equity Bill was introduced applicable to the civil service.[18]

The plan for implementing pay equity in Ontario and Manitoba has involved the following steps:

- determining the area of application;
- affected employers and their bargaining agents agree on how the legislation is to be implemented;
    - provision for the selection or development of a single, gender neutral job evaluation system determined on the basis of skill, effort, responsibility and working conditions;
    - identification of female and male dominant groups of jobs;
    - application of the evaluation system to the gender dominant jobs;
    - agreement on the size of the pay equity adjustments;
    - phasing-in of wage adjustments for the female dominant jobs shown to be undervalued;
- establishment of a Pay Equity Commission to oversee implementation of the pay equity plan.

Judge Abella supports pay equity because

> for women, it is vital that equal pay be seen through the "equal value" lens. There are some jobs that have traditionally been held mainly by women and will probably continue so to be held. Despite a decade of equal opportunity programs, 62 per cent of

> women are still found in only three occupational categories: clerical, sales and service. These are the same general categories into which they were segregated in 1901.
>
> Although every effort shoud be made to encourage women to diversify into jobs traditionally held by men, many women will still go on preferring clerical, service and sales jobs - jobs characterized by lower levels of income, status and mobility - rather than the occupations in which men are concentrated.[19]

Table 3 illustrates, despite decades of equal opportunity programs, the concentration of women in clerical, sales and service jobs.[20]

Table 3

Occupational Distribution of Women - 1982

Occupation	% of all Female Workers
Managerial, administrative	5.6%
Natural sciences	1.3
Social sciences	1.8
Religion	0.1
Teaching	5.8
Medicine, health	8.5
Artistic, recreational	1.4
Clerical	33.2
Sales	10.0
Service	18.8
Agriculture	2.6
Processing	1.8
Machining	0.3
Product fabrication	4.8
Construction trades	0.2
Transport equipment operation	0.5
Materials handling	1.3
Other crafts and equipment operating	0.5
Unclassified	1.1
Total Female Labour Force	99.6%*

* Does not equal 100 per cent because figures are not available for every occupational category.

Working women will be largely protected when pay equity, like employment equity, is legislated in every province. The Report of the Commission on Equality in Employment concludes that "until provincial laws are changed to articulate and effectively enforce the "equal pay for work of equal value" concept, little change in the income gap is likely to occur."[21] In the near future, provincial governments that speak out against pay equity may find themselves out of step with the rest of the country.

The cost of every social initiative undertaken by government must be viewed in light of the humanitarian and equitable benefit for society. Employment equity and pay equity, the latter to an even greater degree, involve financial costs for Canadians. To argue, as some have, that we can not afford this legislation ignores the real issue - achieving equality in the work place. "Economics were used to argue against child labour laws and minimum wages" although legislation dealing with child labour and minimum wages is firmly in place in todays society,for the betterment of all.[22] Lessening the wage gap to 0.80 from 0.60 and providing women the opportunity to realize their full potential in the labour force, achievable goals if governments take the initiative, will result in greater equality in the work place. Government strategies dealing with employment inequality are needed today and not tomorrow. As Judge Abella has stated

> we owe it both to our ancestors and descendants, of both genders, not to get bogged down in semantic warfare and to get on with solving the problem. We must seek solutions and hope that no more commissions on equality will ever again be necessary.[23]

FOOTNOTES

1
Rosalie Abella, "Equality at Work and at Home," Policy Options, December 1985, p. 29.

2
Royal Commission, Report of the Commission on Equality in Employment, (Ottawa: Queen's Printer, 1984), p. 232.

3
Ibid., p. 233.

4
Ibid., p. 234.

5
Ibid., p. 233.

6
Royal Commission, Report of the Royal Commission on the Economic Union and Development Prospects for Canada, Volume Two, Part Five, Chapter 15, (Ottawa: Queen's Printer, 1985), p. 627.

7
Ibid., p. 628.

8
Royal Commission, Equality in Employment, p. 237.

9
Royal Commission, Economic Union and Development Prospects, p. 635.

10
Ibid., p. 634.

11
Royal Commission, Equality in Employment, p. 236.

12
Ibid., p. 238.

13
Ibid., p. 254.

14
Ibid., p. 203.

15
"Labour Law Called Toothless Sham," Edmonton Sun, 15 August 1986.

Department of Employment and Immigration, Statement to the House of Commons by the Honourable Flora MacDonald Minister of Employment and Immigration on the Federal Government's Response to the Royal Commission Report on Equality in Employment, (Ottawa: Queen's Printer, 1985), p. 7 and 11.

16
"Job Ghettos Cost Women Pay Equity," Editorial, Toronto Globe and Mail, 25 July 1986.

17
"Pay Equity- A Realistic Goal?," The Mercer Bulletin, May 1986, p. 1.

18 Ibid., p. 1.

19 Rosalie Abella, "Toward Employment Equity for Women," The Canadian Business Review, Summer 1985, p. 8.

20 Royal Commission, Equality in Employment, p. 245.

21 Ibid., p. 241.

22 "Principle of Equal Value Makes Business Tremble," Edmonton Journal, 15 October 1985.

23 Abella, The Canadian Business Review, p. 14.

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